

From: mrr@gmar.ws [mailto:mrr@gmar.ws]  
Sent: Saturday, October 22, 2005 9:15 PM  
To: ATR-Real Estate Workshop  
Subject: "Competition and the Real Estate Workshop" -- Comment, Project No. V050015

U.S. Department of Justice  
Antitrust Division

Liberty Place, Suite 300  
325 7th Street, NW  
Washington, DC 20530

Dear Mr. Quinn:

I would like to offer my comments on the Department of Justice's public workshop entitled "Competition Policy and the Real Estate Industry."

I have had the opportunity to watch the fierceness with which brokers and agents compete in the real estate industry in the Milwaukee metropolitan area for the last 9-years. First as the government affairs director and currently as the association executive of the Greater Milwaukee Association of REALTORSR (GMAR), I have seen first-hand the time and deliberation our members and firms have taken in developing business plans that implement a new twist or "better mousetrap" in providing real estate services.

Our members are constantly trying to employ new business strategies - and on the lookout for the strategies of their competitors - in hope of providing the unique and personalized nature of service to their clients, which, in turn, will determine their future success through referrals and return business.

The real estate industry is a model of competition that works. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. In the Milwaukee marketplace, the industry is made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

This is also an industry with arguably the lowest barriers to entry. If an individual is willing to take the time to learn the business in their local market, pass the Wisconsin state license examination, adhere to the REALTOR code of ethics (if they chose to be a member) and work hard, there is nothing to stand in the way of success in this industry. Our members learned the business and passed the state licensing examination, but it is their own work ethic, commitment to professional standards and dedication to client satisfaction that determines their success.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace in Milwaukee, consumers not only are able to choose from more than 700 brokerage firms and more than 4,500 REALTORSR, but also from a variety of business models.

Along with the core services of professional standards and government affairs the GMAR offers its members, our multiple listing service (MLS) offers members a cooperative, broker-to-broker offer of cooperation and compensation that help both brokers and customers buy and sell homes. It is not a public utility, nor should it be!

Our MLS allows real estate brokerages of every size to compete on a level playing field. It gives all of our members access to an inventory of property listings that they are able to show and sell to their clients.

Our MLS doesn't discriminate. All MLS members are treated equally, regardless of their size or their business model, and yet the rights of property owners and their listing brokers are respected. The rules of the MLS achieve a delicate balance between respecting the rights of listing brokers so they will continue to be willing to contribute their inventory of listings and permitting cooperating brokers the ability to show those listings and be assured of receiving compensation if they bring about a successful sale.

With regard to the National Association of REALTORSR new Internet Listing Display (ILD) policy, I believe the new policy is a win-win for consumers and REALTORSR.

ILD works for consumers because it gives home sellers a choice whether to permit marketing of their property on the Internet and in selecting an MLS member with whom they want to work. It allows them to "opt-in" and have their property displayed on other brokers' Web sites even if they are working with a broker who does not participate in sharing his listings for display by his competitors. And it works for REALTORSR because it gives us the right to control where our listings are displayed on the Internet.

Thank you for your time and consideration.

Sincerely,

Mike Ruzicka, CAE, President

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